



# Oil and Gas TWG Teleconference Meeting #2

June 25, 2008 10:00am - 12noon

Governor's Climate Change Sub-Cabinet  
Center for Climate Strategies

# Today's Agenda

- Roll call
- Review and approval of TWG Call #1 summary
- Discussion of process for identifying priority options for analysis
- Review and discussion of the Catalog of State Actions
- Update and comments on the draft GHG emissions inventory & forecast
- Public input and announcements
- Agenda, time and date for next meeting

# Identifying Priorities for Analysis

- TWG reviews and revises catalog of options (today)
- MAG reviews, amends, and approves catalog (July 15)
- TWG identifies a preliminary set of priority options for further analysis by voting process (via email, weeks of July 23 – August 6)
  - Ballot sent by CCS to TWG members,
  - Each TWG member identifies a number of priority options, adds comments as needed (for example, with regard to possible consolidation of policies, rationale for priorities, etc.)
  - If helpful, CCS team can suggest preliminary indicators of potential GHG reductions and costs/cost savings to enable TWG member comment (June 26 to July 16)
- CCS compiles results for discussion at next TWG call (August 27 or 28)

# Catalog of State Actions

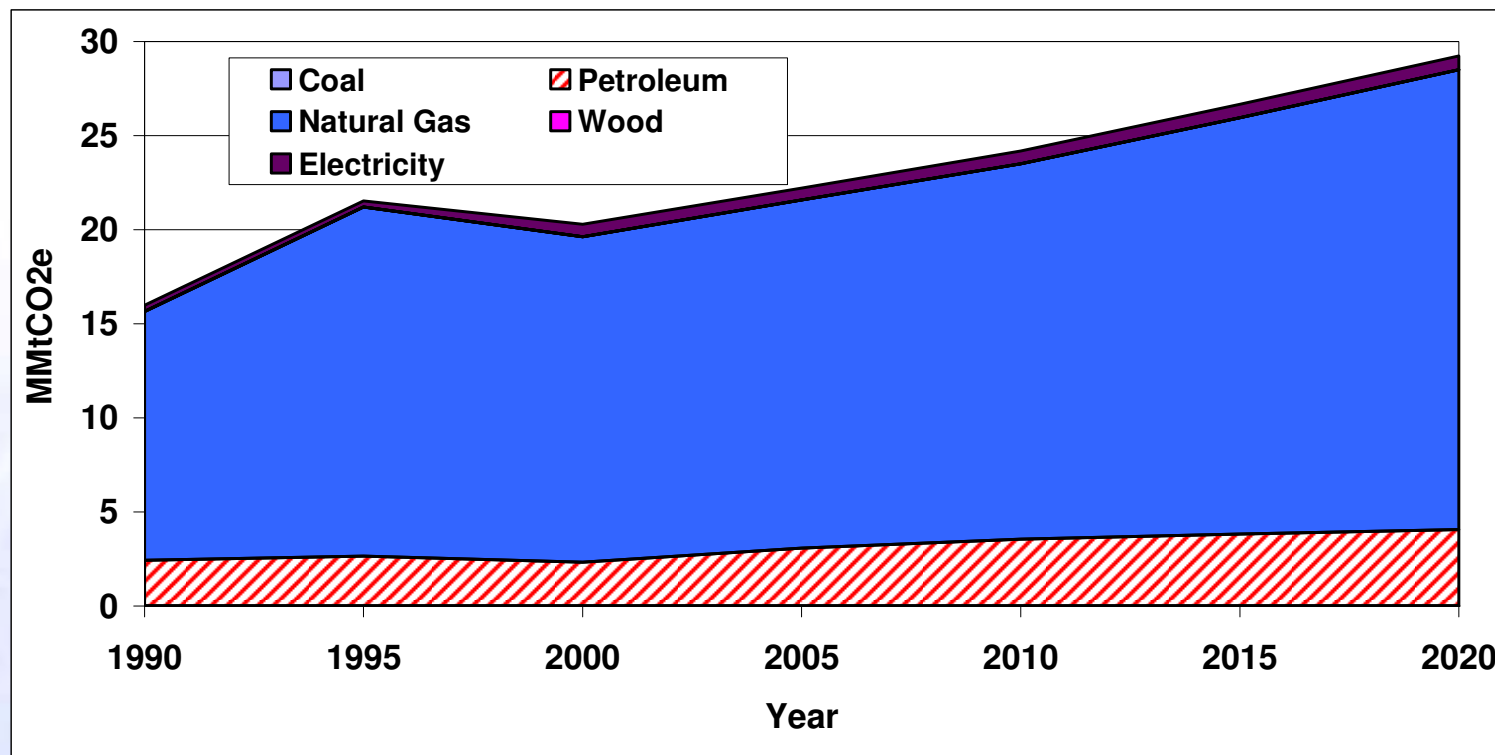
- See separate catalog documents (catalog and descriptions)
- Updated based on TWG input

# Update and comments on draft GHG emissions inventory & forecast

- Update on status (if relevant)
- TWG comments

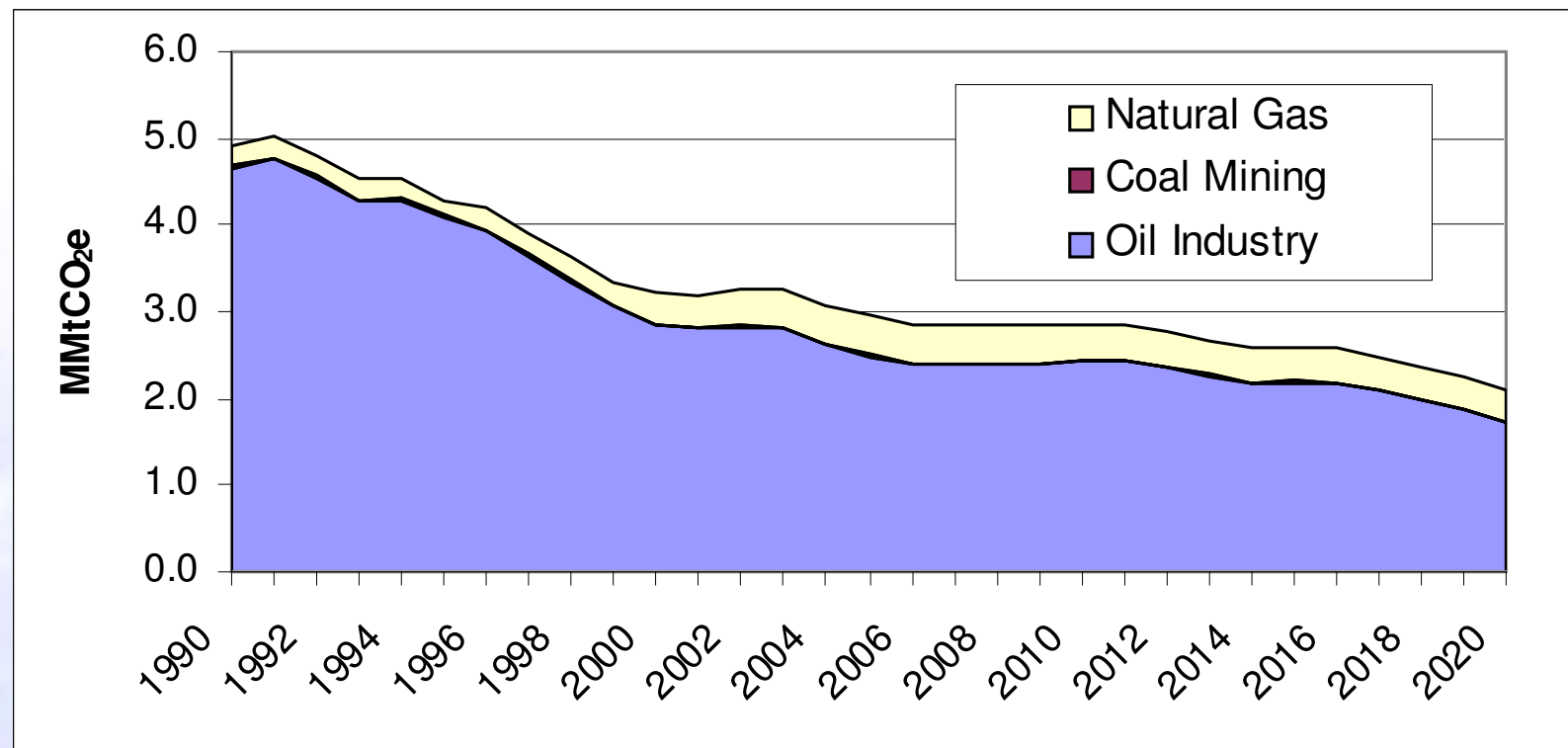


# Industrial Sector GHG Emissions from Fuel Consumption



Covers all industry, fuel consumption from oil and gas operations need to be split out

# Fossil Fuel Production GHG Emissions from Fugitive Sources



Coal mining emissions too small to be seen in chart

# Key Points

- Methodology and data gaps currently under review
  - Energy consumption emissions need to be disaggregated from industrial sector (completed for 2002)
  - In other states, discrepancies have been found between EIA estimates and oil and gas industry data on energy consumption
  - Fugitive emissions are based on industry averages
  - Fraction of entrained CO<sub>2</sub> in natural gas is uncertain
  - Challenges in projecting future production of fossil fuels
- Projected emissions savings from recent actions to be estimated separately



# Key assumptions

- Average annual growth rates in energy consumption (all industry)
  - EIA energy + AK employment projections

	1990-2004 <sup>a</sup>	2005-2010 <sup>b</sup>	2010-2015 <sup>b</sup>	2015-2020 <sup>b</sup>
<b>Industrial</b>				
natural gas	2.3%	1.4%	2.0%	2.3%
petroleum	2.2%	3.2%	1.7%	1.1%

- Average annual growth rates in fossil fuel production
  - Natural gas production declines 3.9% per year
  - Oil production declines 1.3% through 2015 then 4.8%
  - Source: Alaska Department of Natural Resources Oil and Gas Annual Report 2006

# ADEC refinements to Alaska GHG Inventory

- In March 2007, Trustees for Alaska requested ADEC require large emitters of GHG to quantify & report their emissions.
- ADEC committed to refine the GHG emission estimates for major industrial and transportation sources.
- ADEC conducted GHG emissions inventory for Title V (major) air permits in Alaska using 2002 fuel usage data.

# ADEC Title V GHG Emissions Inventory Results 2002

ADEC Source Category	GHG Emissions (MMTCO <sub>2</sub> eq)	Percentage of Total GHG Emissions
Electricity Production	2.18	11%
Military	0.97	5%
Mining	0.017	1%
Municipal	0.012	1%
Oil & Gas	15.26	73%
Other	1.76	8%
Seafood	0.16	1%
Totals	20.63	100%

# Public Input and Announcements

# Next TWG Call

- Agenda:
  - Report back from MAG on catalog
  - Discuss approach for choosing priority options for analysis
  - Further review of the emissions inventory and projection if/as needed
- Proposed date/time for Call #3:
  - Monday, July 23, 10:00am – 12noon

